

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2018/ 2019

BFS7154 – CORPORATE FINANCIAL STRATEGIES

(MBA Full Time)

24 MAY 2019

9.00 A.M. – 12.00 P.M.

(3 HOURS)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **THREE (3)** pages (including the cover page).
2. Answer ALL questions. The marks distributions are given in parentheses.
3. Write all your answers in the Answer Booklet provided.

Question 1 (20 marks)

- a. What is financial strategy? State **two (2)** elements of financial strategy. (8 marks)
- b. Explain **four (4)** reasons why a company market value might differ from its fundamental value. (12 marks)

Question 2 (20 marks)

Explain the life cycle model for any product or service you have come across in the Malaysian business environment. Identify the characteristics of this product or service and relevant elements of its business; incorporating the developmental stages with regards to the Boston Consulting Group Matrix. (20 marks)

Question 3 (20 marks)

- a. Explain **three (3)** good and **two (2)** bad reasons for any possible acquisitions. (10 marks)
- b. Briefly discuss **five (5)** defensive strategies that can be used by any firms to fend off the bid. (10 marks)

Question 4 (10 marks)

- a. Explain the **three (3)** reorganisation strategies that are commonly used. (6 marks)
- b. Provide **two (2)** reasons why demergers are seen to add value. (4 marks)

Question 5 (10 marks)

Briefly summarise the process of forecast preparation for a company. (10 marks)

Continued...

Question 6 (20 marks)

Briefly describe the following theories or fundamental concepts:

- a. Capital Asset Pricing Model (7 marks)
- b. Discounted Cash Flow Technique (7 marks)
- c. Efficient Market Hypothesis (3 marks)
- d. Weighted Average Cost of Capital (3 marks)

End of Paper